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RE: Program Analysis Staffing Needs

Student Financial Assistance is currently confronted by a less than supportive political environment and a series of issues that, if they are not handled properly in the immediate future, have the potential to undermine SFA's credibility and its ability to save more of the dollars it needs to fund its backlog of initiatives. Critical to handling these issues properly is the timely, credible, and thorough analysis of the many variables driving these issues.

The mission of the **Program Analysis Division** is to provide its customers—the SFA Chief Operating Officer, Channels, and Enterprise Offices—with analyzes they can use individually and collectively to proactively modify processes for improving customer and employee satisfaction and reducing unit costs. The Program Analysis Division has the potential to enable SFA to effectively deal with the issues and navigate the political waters confronting it by:

1. Analyzing issues identified as critical to SFA,
2. Aggregating and analyzing data across Channel and Enterprise unit boundaries, and
3. Identifying and summarizing pertinent research from throughout the department and from private industry sources.

At this time, the Program Analysis Division is not staffed and funded to handle the analyses needed to effectively deal with the most pressing of the issues confronting SFA. The following paragraphs identify weaknesses in SFA's ability to analyze its customers, services, and the current student aid environment.

SFA's Current Analytical Capabilities

1. *Analysis projects tend to be based on information and resources in a single Channel.* The analyses that are being conducted tend to look at the information specific to that office or its contractor, with the exception of the need to access data from NSLDS. The potential information available from other Channels, systems, and ED databases not managed by SFA is often not considered due to a lack of information about the availability and usefulness of other data, as well as time and resource constraints.
2. *Staff is not committed to conducting research and evaluations on a full-time basis.* During discussions with SFA Senior Leaders and with their staffs, I identified a number of initiatives related to program analyses and evaluations that are currently being conducted by the Channels. Examples include the ongoing IRS data match study, the recent cohort default rate team, and the upcoming NSLDS data quality study. These efforts require program administration staff to conduct research and analyses in addition

to their other work responsibilities. Few of these individuals have formal training or work experiences in the field of research and program evaluation or statistical analyses.

3. *Without an Enterprise-wide perspective on SFA program data, research projects, and program evaluation results, redundant efforts are likely.* For example, NSLDS data quality assessment occurs within the CIO, CFO, and Analysis offices. When data extracts are needed to assess program information, individual offices rely on their own experiences, rather than shared information about anomalies or problems.

4. *SFA is not able to capitalize on the research efforts of other ED offices or to skillfully utilize other research databases produced by ED.* Recently, the National Center for Education Statistics released the latest results of its National Postsecondary Student Aid Survey. There is a wealth of information contained in the study results. Currently, the resources are not committed to "pushing" the relevant information in this database to managers for use in strategic planning.

5. *SFA does not currently have the capability to perform cross-Channel impact analyses.* For example, cohort default rates are impacted by a number of FY 01 Performance Plan initiatives. We do not measure the effect implementing electronic payment debiting in the Direct Loan Program is having on reducing defaults. We do not compare the effectiveness of default reduction initiatives in the DL and FFEL programs. The cohort default rate team, coordinated by Analyses, started to assess the impact of operational and programmatic differences between the two loan programs. There is much more work needed to understand our customers and the effects of administrating multiple lending programs.

The Program Analysis Division Today

The Program Analysis Division barely has enough resources to handle *ongoing work* effectively. Current projects include:

- Lender Inducements – *risk management*
- Mid-Year Transfers – *risk management*
- Unpaid Refunds Study – *required by statute*
- Ad hoc requests for information
- DL vs. FFEL Cohort Default Rates Analysis – *risk management, strategic planning, information for proactive program change*
- OIG Corrective Action Plan on Consolidating Defaulters – *risk management, OIG required SFA action items*
- Development of monthly program statistics cutting across Channel and Enterprise units – one of the *2001 Performance Measures, risk management, strategic planning, information for proactive program change*
1. Review of ability-to-benefit tests - *required by statute, risk management, program integrity*

The service delivery model PAD is using to handle some of its workload relies heavily on the time and talents of staff from the Channels. Unfortunately, the Channel resources do not have the time, and often do not have the expertise, needed to enable the Program Analysis Division to complete projects in a quality and timely manner.

The Program Analysis Division currently consists of the Director and *one fulltime staff member*, David Morgan, at the 15 level. Additionally, *one intern*, Monica Glee, is scheduled to provide part-time assistance during the fall, and one additional part-time intern has been requested. Monica coordinates all administrative functions, communication with other offices, helps prepare PowerPoint presentations, and helps draft, edit, and prepare documents.

The head of PAD currently conducts six analyses and supervises a staff person, an intern, three contractors, and various Channel staff tasked with helping to analyze projects. This has undermined the ability of PAD to produce quality work products in a reasonable time frame.

Anticipated Program Analysis Division Project Loads

As defined by effort levels, PAD currently engages in the following three types of projects:

1) Ongoing: Require three months of intense research and quantitative and impact analysis efforts plus an indefinite and ongoing effort to update and analyze changes in the data.
2) Moderate Scope: Require three months of research and quantitative and impact analysis effort. These projects do not require ongoing updating and analysis of data.
3) Ad Hoc: One time analyses occurring on an impromptu basis, and requiring one day to one month of research and quantitative and impact analysis effort.

To engage in quality, thorough, and timely analyses of Ongoing, Moderate Scope and Ad Hoc projects, PAD needs a combination of Quantitative and Impact Analysts and Researchers whose functional responsibilities are as follow:

Quantitative Analyst of Enterprise-wide program data:
- Aggregate and analyze data across Channel and Enterprise unit boundaries
- Conduct statistical analyses, data mining, and trending, without disrupting customer services
- Support Enterprise-wide knowledge of and usage of consistent and timely program data
- Benchmark analytical processes and services with best-in-business and best-in-government

Impact Analyst
- Project the impact of proposed program and process changes
- Conduct analyses that identify changes in the student aid environment, including "market" and customer behaviors
- Lead teams that quickly analyze a specific problem that has been identified and recommend immediate actions for improvements
- Quantify the individual and interactive effect of strategic initiatives on multiple SFA offices, processes, customers, partners, and stakeholders
- Position SFA to benefit from innovative tools used by other ED offices, other agencies, and private industry

Researcher

- Develop and implement research initiatives that provide customer, program, and service information needed to enable SFA to proactively modify processes and services
- Identify and summarize research and best practices data from throughout the Department and private industry sources
- Collaborate with other SFA offices to promote the effective incorporation of research information in SFA program delivery and services
- Interface with OPE, NCES, PES and other offices to promote understanding of program data and the strategic initiatives of the Department

Table 1 shows that the Development Stage of an Ongoing project requires XX and YY hours respectively of a Quantitative and an Impact Analysts time, and ZZ hours of a Researchers time per month for three months. In addition, the Updating Stage requires, on a monthly basis, AA and BB hours respectively of a Quantitative and Impact Analysts time, and CC hours of a Researchers time. Coordinating the efforts of the Researcher and Analysts on an Ongoing project requires HH hours per month of a Project Leader's time. The Project Leader is generally the Researcher or one of the Analysts and varies from project to project.

Table 1

Position Description	Development Effort Time/Mo. for 3 Mos.	Updating/Maintenance Time/Mo. Indefinitely
Project Lead		
Quantitative Analyst		
Impact Analyst		
Researcher		

Table 2 shows the analysis effort for each Moderate Scope project is XX and YY hours respectively of a Quantitative and an Impact Analysts time, and ZZ hours of a Researchers time per month for three months. To coordinate the efforts of the Researcher and Analysts on these projects requires HH hours per month of the staff person designated as the Project Leader. As with Ongoing Projects, a Project Leader can be a Researcher or one of the Analysts.

Table 2

Position Description	Updating/Maintenance Time/Mo. Indefinitely
Project lead	
Quantitative Analyst	
Impact Analyst	
Researcher	

The concurrent pursuit of a new Ongoing and Moderate Scope project will require PAD to hire S Researchers, T Quantitative Analysts, and U Impact Analysts. This will also enable PAD to accomplish V Ad Hoc projects per month.

Currently there are seven potential research projects that support SFA's programmatic initiatives and/or detail the affects of upcoming Congressional actions. Two projects, the Impact of reauthorization issues proposed by non-SFA entities and the Expansion of enterprises-wide

knowledge of SFA program data, are Ongoing Projects. The other projects: 1) NSLDS Data Quality Analysis; 2) Student Eligibility/IRS Matching; and the following reauthorization studies 3) Default & Loan Repayment Behaviors; 4) Applicant Income Changes Over Time; and 5) Profile Potential Students Not Receiving Aid are Moderate Scope projects.

Properly staffing two Ongoing Projects at the same time requires, during the development effort, X Researchers, Y Quantitative Analysts and Z Impact Analysts per month for three months. It also requires, during the Updating Stage, 0.B Researchers and 0.C and 0.D Quantitative and Impact Analysts respectively. Coordinating the efforts of the Analysts and Researcher requires a Team Leader for N hours per month. These are in addition to the current PAD staff.

To properly staff a Moderate Scope project, requires 0.G Researchers and 0.I and 0.J Quantitative and Impact Analysts respectively plus 0.P of a Project Leader's time for three months. These are in addition to the current PAD staff.

While the exact number of simultaneous future Ongoing and Moderate Scope projects is unknown, current estimates are there will always be two (2) Ongoing Projects and at least four (4) Moderate Scope projects. This would require the Program Analysis Division to add three (3) Quantitative Analysts, five (5) Program Analyst, four (4) Researchers, and two (2) new staff positions to its current staff. The latter individuals will handle day-to-day correspondence, calendar maintenance and other administrative duties. An individual to help the Program Analysis Division head develop organizational strategies is also needed on an eighth time basis.

Conclusion

To effectively achieve its mission - providing SFA with analyses needed to proactively modify processes resulting in improved customer and employee satisfaction, and reduced unit costs - the Program Analysis Division must expand its capabilities through additional staffing and/or contract support. Given the less expensive staffing option is used, PAD needs to hire the additional staff shown below in Table 3.

Table 3: Staffing Levels

	Program Analysis	
	Staff: 2.12	
Quantitative Analysts	Impact Analysts	Researchers
Staff: 3.00	Staff: 5.00	Staff: 4.00